

ECONOMIC COUNCIL LETTER

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Keep It Up, Citizens!

AT his weekly news conference March 27, President Eisenhower was clear about only one thing—namely, that the budget, which he says “was not only made carefully, it was made intelligently,” should not be cut in any material way.

The President had been out of the country several days. He has never been a reader, preferring merely to be briefed by others. He has been taking himself more and more out of direct contact with events. During his whole life he has had little experience with the need for reasonable economy—he knows only spending. He has been favored as few men have with such favors as that in connection with his book, “Crusade in Europe,” where, instead of being taxed as any other citizen would have been, he was permitted to treat his profit as “capital gains.” This reduced the tax on his book by an amount running into the hundreds of thousands.

It is only fair to tax-paying citizens to consider the President's words of March 27 in the light of the above facts.

From our nation-wide contacts we find a movement is growing that could become a real tax revolt. The American people are thoroughly fed up with turning over anywhere from 20 to 91 per cent of their incomes to a spendthrift Government. The President apparently does not realize this. It perhaps has not been mentioned in any of his briefings. But all that is needed, for the American people to secure from the Congress this year a reduction, both in Federal spending and in Federal taxes, is for a growing number of Americans to talk and to keep talking to their Senators and Representatives in Washington.

Did we say *spendthrift*? Well, we mean just that! Not that there are not economy-minded men

and women in the Government—there are many. But there are a multitude of key men in the Administration who clearly have no idea of economy. The President by his statements March 27 shows he is one of them.

There are many members of both houses of Congress who know in their hearts the Federal Government is spending too much. More of them are saying so every day.

ONE of the best pieces of journalism we have seen in recent years is a survey of the Federal budget published in the *Chicago Daily News* of March 23, 1957. Two members of the Washington bureau of that newspaper read the entire 1,249 pages in the five-pound volume that is the budget.

They found, for instance, an item of \$300,000 for the Army to finance Sunday morning recreation for civilian members of private rifle groups.

They found \$587,000 for relocation in 1958 of the Botanic Garden greenhouses. They found an item of \$8,226.57 for a new Cadillac for the Democratic leader in the Senate.

They found \$70,000 for the Federal Coal Mine Board of Review; and they found that in 1956 this agency determined just four appeals which required a total of 23 days of hearings.

They found that an item of \$9,900,000 to win love of people in other lands for fiscal 1957 was followed by an item of \$20,000,000 for 1958. They found a curious appropriation of \$49,710 in 1956 for a certain bureau which was charged with the “development of a national policy on, and evaluation of, the flow of unclassified information to minimize access to such information by unfriendly nations.”

They found the Veterans' Administration needs a mere \$67,760,000 immediately "to cover uncontrollable education and training costs which are exceeding the original estimates."

They found the Department of State had an item of \$18,000,000 in 1956 to promote "the foreign policy of the United States through exchange of key persons selected for their capacity to build up a receptive climate of public opinion overseas." In 1957 the cost of this will be \$20,000,000. But for fiscal 1958 the President asks \$30,000,000 to build up this "receptive climate of public opinion overseas"!

They found that the Central Intelligence Agency, about which only a few officials know anything, wants a new home in Washington, the cost of which is \$49,000,000. This money was appropriated in 1957, but the bulk of it will be spent in 1958 or later. *Yet not even the plans will be completed until late in 1957.*

One of the telling features of the *Daily News* story is the repeated citation of comparisons between budget items of 1956 and 1957 and the still greater amounts asked for the same items for 1958.

We could go further in citing instances mentioned by this newspaper. But we suggest that every reader send a self-addressed envelope with 3c postage on it, for a free reprint of the entire article. Address "Budget," *Chicago Daily News*, 400 W. Madison St., Chicago 6, Ill.

THE country has had served up to it from other sources a whole spate of illustrations of the waste of the people's money. In Council Letter 400 we cited an article, "How Not to Handle Foreign Aid," by Bernard S. Van Rensselaer, in the *Reader's Digest* of February, 1957, which tells of the squandering of scores of millions of your money in Iran. The author must know what he is talking about for he himself has been a Government official—has had international banking experience and is now a consultant for the Citizens Committee of the Hoover Report. And many similar stories of waste can be told.

The Hoover Commission, staffed by 80 or 90 of the very finest lawyers, accountants, etc., in the United States, pointed out that six to seven and a half billions could be saved. Yet the savings

so far achieved have amounted to only about half a billion.

NOT only has the hard-earned taxpayer's money been prodigally spent, and in some cases clearly wasted, but the President is demanding new channels of spending. This means added waste. It means the setting up of new bureaus; and a Government bureau, once established, goes on forever. Incidentally, the effect of some of these new measures advocated by the President, will be to further the obvious plan of some for the destruction of the American Republic.

The Tenth Amendment of the Constitution reads:

"The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people."

In the past few years both the Chief Executive and the Supreme Court have flouted this Amendment. It is clear that the overall aim is to blot out the power of the State and local governments, so that everything will be run from Washington. Incidentally, this concentration of more and more power in the central Government is the plan that has been pursued to bring about the taking over of other countries by communism.

Cynics will scorn the idea, but we say it from study and conviction, that the influences that are causing the breakdown of our State and local governments are communistic influences. There is no belief more widely held among communists than that they can take over the United States only when State and local government is destroyed and all power concentrated in Washington.

One of the Marxist schemes to which the President has yielded is that of Federal aid to build schools. Public education has always been a State and local function. In recent years certain appropriations have been made for aid to schools—as for instance in the furnishing of hot luncheons. But the passage of the Federal Aid to Education Bill, as our representative told the House Committee on Education and Labor at a hearing on February 27, last, would lead to the handing over of complete control of public education to the Federal Government.

But we mention the subject here because it would mean an addition of at least \$500,000,000 a year to the Federal budget for the next

four years. It may be accepted as certain that from then on the cost would grow.

Similarly, the Civil Rights Bill is attacked by its opponents as an invasion of States Rights. In fact, as originally introduced it would come near to bringing back, especially in the South, the kind of tyranny that prevailed in the days of Reconstruction, ending in 1877. Under the Bill as originally drafted, a bureau of the Federal Government at Federal expense could institute a suit on behalf of any individual complainant, and the person accused would not be entitled to trial by jury. If this measure had been devised in Moscow or in the offices of the *New York Daily Worker*, it could not have been better designed to destroy the American form of Government, through destruction of the rights and reserve powers of the States and of the people, which have been specifically guaranteed by the 10th Amendment.

But we mention this Civil Rights matter here largely because it would mean the setting up of a new bureau in the Attorney General's office, and from then on would be a steady additional drain on the Federal treasury—a drain that sooner or later would require additional taxation.

IT would seem the Executive Department and the Supreme Court are in accord in attempting to make over this American Republic into the image of international socialism. We won't need to go much further in our undermining of the American Republic before we will be down to the level of Britain, whose socialization was financed, incidentally, by American billions, commencing in 1945.

NEVERTHELESS, we Americans who love the Republic and the freedom it originally had—and was intended to preserve—may take heart. Never, perhaps, have so many citizens communicated with their Senators and Representatives as in recent months. A well-informed Representative tells us that a third of all first class mail going to the House and Senate consists of demands that the budget be cut. And prominent Congressmen, who in January were slow to agree to budget-cutting, are now demanding substantial cuts. Unfortunately the Senate appears less disposed toward cuts than the House; and one of the tasks before us is to urge the House to refuse to back down on the cuts the House is making.

The Fairless Commission reported early in

March that few cuts could be made; but its conclusions were obviously reached before the citizen revolt began. So its members have had little time to reflect upon what is happening in the districts and the States.

MANY of those around the President are of that socialist-internationalist group, hell-bent on transforming this Republic into a socialist "democracy." Not appreciating in many ways what individual initiative and individual freedom have done in building up America, they now show their willingness vastly to circumscribe the rights of the citizen. They believe he should be taught to look to the Government for hand-outs and privileges. The citizen will, however, retain the duty to pay taxes!

Those who, like the National Economic Council, have been opposing all this trend for a number of years, have been fighting an almost uninterrupted rear guard action—fighting and falling back.

But things have really changed today. Almost anything can happen in Washington—if only more and more citizens will communicate with their respective Representatives and Senators. Citizens have been doing a splendid job. Now they must redouble their efforts.

There are three coordinate, co-equal branches of our Government, as everybody knows—Legislative, Executive and Judicial. In ordinary times these three branches have functioned on the whole pretty well.

But these are not ordinary times. This may be about the last chance to save freedom in this country. Therefore it is time for the fourth branch of the Government to go into action, as it has, indeed, to a considerable extent been doing—this branch consisting of the people back home—the people who elect the Senators and Representatives.

There is no use writing to the President—he would never see your letter anyway. There is some use in public meetings that pass resolutions of protest, although that use is limited. But the man or woman who sits down and writes an intelligent letter to his Representative and his two Senators is writing to people who will listen. That is just what a growing number of Americans have been doing.

But now it's time for the people back home to go one step further. They must think in terms only of their own Representative and their own two

Senators. All three of them will be back in the not too distant future looking for your votes. That is why they will listen now. Although most Members of both Houses want to preserve American liberty, they have had little help in the way of letters and telegrams from most of you citizens.

SO, here's what you can do. In any given Congressional district assemble quietly ten or a dozen thoughtful and informed men and women of both political parties—the kind of men and women who put their country first and their party afterwards. Let these organize a systematic letter-writing by citizens of that Congressional district. Better still, let them get on a train or plane and go to Washington by appointment and have it out with their Representative and each of their two Senators. If they don't impress these gentlemen the first time, let them go back and get 50 more, and go down again.

Out of the 435 Congressional districts in the United States, there are about 150 which may be called marginal, because the sitting Member of Congress was elected by not over about ten per cent of the total vote.

IN conclusion we repeat: this whole matter is now largely in the hands of the fourth branch of Government—the people back home. Most of the Senators and Representatives in Washington are

pleased that they have heard so much recently from their constituents. They need to hear a lot more.

So, citizens, if you want to call a halt to the utterly reckless spending of your earnings and savings—get busy now. Do not wait a day!

You have nothing to lose but your taxes!

BOOK REVIEW

Eugene W. Castle, author of *Billions, Blunders and Baloney*, has written a new book, *The Great Giveaway* (Henry Regnery Co., Chicago). Its 181 pages tell, as objectively as we have seen it told, the story of how in twelve years our Government has scattered nearly \$60 billion of American savings and earnings to the four quarters of the globe.

Says the author (p. 167):

"... there is no deadline for discontinuance and no limit to spending. Under the present program, Mutual Security could last ten, twenty, fifty years, and perhaps forever."

In these days when all Americans are preparing to file their income tax returns, and the President has submitted the largest peace-time budget in history we can think of no more profitable book for the intelligent citizen to read if he wants to see what his Government has been doing in foreign aid.

We can fill orders for this book direct. Price \$3.50 postpaid. For delivery in New York City please add 11 cents sales tax.

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